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~~NEW~~ MESA volume event  
CAMBRIDGE VALUE CENTER PROGRAM

OBJECTIVES

- Protect the Cambridge franchise in a historically strong tradeclass against competitive price subsidy, without using price
- Generate names for the Cambridge database, and learn more about the mega volume consumer
- Keep Cambridge top-of-mind among discount smokers
- Gain incremental Cambridge volume
- Generate competitive trial

STRATEGIES

- Create a redemption center at key mega volume accounts in five Cambridge markets.
- Provide value added incentives to promote Cambridge beyond its price.
- Generate reward to consumers through carton purchases.
- Survey consumers at retail through a sweepstakes program.

PROGRAM SUMMARY

For a two week period in November of 1994, the Cambridge Value Center program will offer consumers incentives at retail via carton purchases. Ten value centers (two kiosks per market) will be created with Cambridge branding to hold incentives and communicate to the consumer the offers. The kiosks will be stationed at mega volume accounts and stored in a van or another large vehicle which is branded through the use of a temporary decal.

Incentives will be distributed by proof of purchase of at least one carton, and existing inventory will be used. In addition, consumers 21 and older will have the opportunity to fill out a survey card and win a shopping spree at a local department store.

POS materials

For visibility in-store, danglers and posters will be created, and put up two to three weeks prior to event day to announce the promotion. To gain visibility outside the retail account on event day, banners and counter balance covers will be created.

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## EXECUTION

- PM's Fleet Department will coordinate vehicle leasing and decaling.
- The execution must be bid out to three agencies. Each value center will be staffed with two reps for a total of ten in each market. Each market will have a manager of the value center reps and a driver of the vehicle.
- Kiosk reps will be recruited and trained by the agency.
- Field sales is required to sell in this program to each selected account, to schedule the day and time, pre-book product, order and place Cambridge advance kiosk POS. In addition, they will provide van schedules to Agency Managers.
- Sell sheets will be created for field sales.

## INCENTIVES/PURCHASE BREAKDOWN

On promotion day, the value center rep will encourage smokers 21 years or older to visit the value centers and learn about the promotional offers. All qualified smokers will be encouraged to fill out the Cambridge smoker survey to receive future offers from Cambridge. Those who make a purchase of at least one carton of Cambridge will receive one of the following incentive items (limit one incentive per person per day):

<u>Incentive Item</u>	<u>Carton Purchase Requirements</u>
T-shirt	1
Sweatshirt	2
Sweat pants	2
Cap	1
Zippo Lighter	3
Sunglasses	1
BBQ Lighter	2
Mock Turtleneck	1
Umbrella	1

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The following high-end items are only available in limited quantity and will be selected by market:

Cooler Set	8
Hammock	10
Cookie Sheets	4
Cake Pans	4
Polaroid Camera	10
Black Jack Game	2

Since the Cambridge Fall and March catalogs expire the end of September, the value center can also liquidate any residual inventory from that program. Examples include: Minolta Camera, Polaroid personal stereo, white terry cloth robe, leather watches, golf shirt, etc.

#### MATERIALS

Sell Sheets  
Posters  
Banners  
Danglers

#### MARKETS

Region 1	Buffalo
Region 2	Jacksonville
Region 3	Tulsa
Region 4	Lexington, KY
Region 5	Phoenix

#### NEXT STEPS

- Kiosk development must be bid. (maximum cost for bid \$10,000)
- Execution must be bid out. (No cost for bid)
- Leo Burnett to determine program creative and name

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## BUDGET

### Scenario I

Budget for program based on two value centers with two vehicles per market/5 markets, total coverage of 20 days per market, or 100 days

Rental of Vans	\$ 10,000
Decaling of Vans	18,750
Staffing	42,500
Gas, Parking & Washings	2,000
Warehousing	1,250
10 Kiosks (\$6,000 per kiosk)	60,000
Miscellaneous	2,500
Materials	13,500
Sweepstakes	<u>5,000</u>
<b>TOTAL</b>	<b>\$ 155,500</b>

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### Scenario II

Budget for program based on two value centers with one vehicles per market/5 markets, total coverage of 10 days per market, or 50 days

Rental of Vans	\$ 5,000
Decaling of Vans	9,375
Staffing	21,250
Gas, Parking & Washings	1,000
Warehousing	625
5 Kiosks (\$6,000 per kiosk)	30,000
Miscellaneous	2,500
Materials	13,500
Sweepstakes	<u>2,500</u>
 TOTAL	 \$ 88,750

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SCENERIO ONE : TWO VANS PER MARKT, VAN = 3*SHARE						
	Average cpw	Cambridge Share	Cambridge cpw	Cambridge cpd	* 3	*20
Buffalo	5139	1.50	77	11	33	660
Jacksonville	1969	2.16	42	6	18	364
Tulsa	2822	4.49	127	18	54	1086
lexington	2232	2.80	63	9	27	536
Pheonix	3892	1.91	74	11	32	636
					total	3281
SCENERIO TWO : TWO VANS PER MARKT, VAN = 5*SHARE						
	Average cpw	Cambridge Share	Cambridge cpw	Cambridge cpd	* 5	*20
Buffalo	5139	1.50	77	11	55	1100
Jacksonville	1969	2.16	42	6	30	606
Tulsa	2822	4.49	127	18	90	1810
lexington	2232	2.80	63	9	45	894
Pheonix	3892	1.91	74	11	53	1059
					total	5469
SCENERIO THREE : ONE VAN PER MARKT, VAN = 3*SHARE						
	Average cpw	Cambridge Share	Cambridge cpw	Cambridge cpd	* 3	*10
Buffalo	5139	1.50	77	11	33	330
Jacksonville	1969	2.16	42	6	18	182
Tulsa	2822	4.49	127	18	54	543
lexington	2232	2.80	63	9	27	268
Pheonix	3892	1.91	74	11	32	318
					total	1641

SCENERIO FOUR : TWO VANS PER MARKT, VAN = 3*SHARE, cambridge share doubles in megas						
	Average cpw	Cambridge Share	Cambridge cpw	Cambridge cpd	* 3	* 20
Buffalo	5139	3.00	154	22	66	1320
Jacksonville	1969	4.31	85	12	36	727
Tulsa	2822	8.98	253	36	109	2172
lexington	2232	5.61	125	18	54	1072
Pheonix	3892	3.81	148	21	64	1271
					total	6563
SCENERIO Five : TWO VANS PER MARKT, VAN = 5*SHARE, cambridges share doubles in megas						
	Average cpw	Cambridge Share	Cambridge cpw	Cambridge cpd	* 5	* 20
Buffalo	5139	3.00	154	22	110	2200
Jacksonville	1969	4.31	85	12	61	1212
Tulsa	2822	8.98	253	36	181	3620
lexington	2232	5.61	125	18	89	1787
Pheonix	3892	3.81	148	21	106	2119
					total	10938
SCENERIO six : ONE VAN PER MARKT, VAN = 3*SHARE, Cambridge's share doubles in megas						
	Average cpw	Cambridge Share	Cambridge cpw	Cambridge cpd	* 3	* 10
Buffalo	5139	3.00	154	22	110	1100
Jacksonville	1969	4.31	85	12	61	606
Tulsa	2822	8.98	253	36	181	1810
lexington	2232	5.61	125	18	89	894
Pheonix	3892	3.81	148	21	106	1059
					total	5469

BASIC						
SCENERIO seven : CAMBRIDGE AND BASIC TWO VANS PER MARKT, VAN = 3*SHARE, Basic and Cambridge's sh						
	Average cpw	Basic Share	BASIC cpw	BASIC cpd	* 3	* 20
Buffalo	5139	7.12	366	52	157	3136
Jacksonville	1969	6.66	131	19	56	1124
Tulsa	2822	9.34	264	38	113	2259
lexington	2232	16.42	366	52	157	3141
Pheonix	3892	5.26	205	29	88	1755
	Average cpw	Cambridge Share	Cambridge cpw	Cambridge cpd	* 3	* 20
Buffalo	5139	3.00	154	22	66	1320
Jacksonville	1969	4.31	85	12	36	727
Tulsa	2822	8.98	253	36	109	2172
lexington	2232	5.61	125	18	54	1072
Pheonix	3892	3.81	148	21	64	1271
					total	17977

Recommended Seenerio:

- basic & cambridge run together for 2 weeks
- 2 VANS PER MARKET
- ASSUMPTIONS
  - Market share of each brand is doubled in mega outlets
  - VAN bump's volume by 3X average day



BASIC AND CAMBRIDGE TOGETHER						
SCENERIO seven : ONE VAN PER MARKT, VAN = 3*SHARE						
	Average cpw	Basic Share	Basic cpw	Basic cpd	* 3	* 10
Buffalo	5139	3.56	183	26	78	784
Jacksonville	1969	3.33	66	9	28	281
Tulsa	2822	4.67	132	19	56	565
lexington	2232	8.21	183	26	79	785
Pheonix	3892	2.63	102	15	44	439
	Average cpw	Cambridge Share	Cambridge cpw	Cambridge cpd	* 3	* 10
Buffalo	5139	1.50	77	11	33	330
Jacksonville	1969	2.16	42	6	18	182
Tulsa	2822	4.49	127	18	54	543
lexington	2232	2.80	63	9	27	268
Pheonix	3892	1.91	74	11	32	318
					total	4494